



- **CSR turnaround times**

PacBell documentation assures 24 turnaround. LCI is experiencing 7 day turn around times.

Local sales are in jeopardy of being lost.
- **Order Confirmation turn around times**

PacBell documentation assures 4 hour turnaround, however LCI has verbally agreed to a 24 hour turnaround on a short term basis. Orders have been submitted for over 8 days and no Confirmations have been received.

Have received Confirmations with wrong customer names, phone numbers, account numbers, etc. Possibly receiving other companies Confirmations.
- **LISC Fax and Call in numbers**

Often it takes 6+ attempts to fax CSR's and Order's to PacBell due to fax busy signals.

The LISC 800 number has had hold times of 45+ minutes. On 1/22 the number was busy for 8 hours straight.

When LCI contacts the LISC regarding orders, they cannot be located, even when the correct PON is given.

The LISC does not recognize LCI as a reseller even when reseller ID is given.

Per the LISC, LCI's Point of Contact for Orders is listed as working for another company.
- **Escalations**

After receiving no Confirmation for LCI's first order it was escalated to 5 different people via 14 pages and voicemails. The matter has not yet been resolved, 6 days later. (Don Griffin, Anne Long, Victoria Flood, Joe SantaMaria, Linda Goolsby)



Provisioning Escalation Correspondence Summary:

Date	Time	Correspondence	Outcome
1/23	1:00 pm	Vmail to Joe SantaMaria of 40 CSR's and 1 Order outstanding.	Joe on vacation.
1/23	2:00 pm	Vmail to Debra Koosed of same LISC issues.	Debra returned call, referred me to Don Griffin, LISC Director.
1/23	2:30 pm	Vmail to Don Griffin regarding same LISC issues.	Don referred me to Anne Long, LISC Sr. Manager.
1/23	3:30 pm	Vmail to Anne Long	Anne's vmail stated out of town and refereed me to Victoria Flood, LISC manager.
1/23	3:40 pm	Vmail to Victoria Flood	no response to this vmail
1/23	4:00 pm	Spoke to Joe SantaMaria	Joe assured me I was using the proper escalation procedure.
1/23	4:30 pm	Letter to Joe SantaMaria	Faxed a letter to Joe, outlining the LISC issues
1/23	5:30 pm	Vmail and Page to Victoria Flood	no response
1/24	11:00 am	Vmail and Page to Victoria Flood	no response
1/24	12:10 pm	Vmail to Joe SantaMaria	
1/24	12:10 pm	Vmail to Anne Long	Anne returned call and stated that Victoria was handling issue.
1/24	12:20 pm	Vmail to Victoria Flood	Victoria returned call and stated that issue was referred to Grace Cuteris.
1/24	12:20 pm	Vmail to Linda Goolsby	Linda returned call, says not to be suprised if 6-8 lapse before CSR's and Confirmations are complete.
1/24	2:30 pm	Spoke to Grace Cuteris	Resolved outstanding CSR's. She assured me the Order would be complete by 1/25.
1/24	5:00 pm	Letter to Joe SantaMaria	Faxed letter to Joe requesting dedicated fax and 800 line and direct on-line access to CSR's.
1/27	10:00 am	Vmail to Grace Cuteris	no response
1/28	11:00 am	Spoke to Helen, in the LISC	Promised order would be worked and Confirmation return that day.
1/29	11:45 am	no order confirmation	



January 30, 1997

Don Griffin
LISC Director
Pacific Bell
370 Third Street
San Francisco, CA 94107

Don,

The attached outline is to confirm our discussion on 1/30/97 regarding the resolution of several LISC issues that are keeping LCI from turning up and servicing customers in a timely manner in a resale environment.

Please contact me if you do not agree with any of the attached statements.

Sincerely,

Kirsten Johnson
Local Project Manager

cc Joe SantaMaria
Beth Rausch
Mike Wajsgras
Greg Casey

"A-5"



- CSR turnaround times
PacBell documentation assures 24 turnaround. LCI is experiencing 7 day turn around times.

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- Escalations
After receiving no Confirmation for LCI's first order it was escalated to 5 different people via 14 pages and voicemails. The matter has not yet been resolved, 6 days later. (Don Griffin, Anne Long, Victoria Flood, Joe SantaMaria, Linda Goolsby)



February 4, 1997

Joe SantaMaria
Resale Market Consultant
Pacific Bell
370 Third Street
San Francisco, CA 94107

Joe,

This letter is to re-address the issue of USOC code availability. On 12/4/96 I had requested for Debra Koosed to supply LCI with a list of resale USOC codes, preferably in an electronic format. Debra responded that Pacific Bell does not supply USOC codes in any format and that a listing does not exist. I was referenced to the tariff to obtain an initial listing and any USOC updates. Unfortunately, not all USOC codes exist in the tariff. As you are aware, you personally offered to research some codes I was unable to find and had no success using the tariff.

Since Pacific Bell uses these codes to internally bill customers, it is not possible for the codes to "not exist". LCI finds it necessary to use USOC's for both 1) the accurate provisioning of customers and 2) to create internal billing codes that can be tied back to Pacific Bell's billing codes for auditing purposes.

LCI does not feel that requesting USOC lists is an unreasonable request. We are currently receiving these lists from other Regional Bell Operating Companies via electronic files, hard copy listings, USOC inquiry 800 number lines and files posted on the internet for all resale CLC's. These companies agree that it would be in their own best interest for LCI to have access to an accurate listing.

Resolution to this issue will be essential if LCI International is to maintain parity with Pacific Bell in Billing and Auditing capabilities. Please let me know Pacific Bell's response to this issue.

Sincerely,

Kirsten Johnson
Local Project Manager

cc Mike Wajsgas
Greg Casey

"A-4"

LCI International_®
Worldwide Telecommunications

February 19, 1997

Joe SantaMaria
Resale Market Consultant
Pacific Bell
370 Third Street
San Francisco, CA 94107

Joe,

This letter is document several problems that are occurring with LCI's daily usage. In addition, LCI requests that all daily usage contain Full Detail Recording.

Full Detail Recording

LCI is now being informed that we will not receive terminating numbers for all Local (zone 1 & 2) usage. Message types 10 01 01 will always provide Full Detail Recording unless General Assistance is indicated. However, message types 10 01 31 come from end offices that do not capture terminating numbers. All 10 01 31 traffic is zone 1 or zone 2 (no toll). About half of all Pacific Bell offices produce 10 01 31 messages.

Since LCI does not flat rate for Local and provides Local usage detail to all customers, this situation is unacceptable. We are requesting that Full Detail Recording be provided from all Pacific Bell end offices. With the entrance of Unbundled Service, this request may already be pending. Please provide an expected date to LCI immediately.

Daily Usage Issues

Per Gail Gentile, three outstanding issues are causing LCI to not receive daily usage. If these issues are not corrected prior to month end, LCI will be unable to bill customers for February.

1. One of the CABS files is not recognizing LCI's OCN of 7560. This requires a table update and per Gail, should be corrected prior to 2/21.
2. LCI's class of service is not being identified in CABS. This requires a table update and per Gail, should be corrected prior to 2/21.
3. There is a Service Order problem. Service Orders do not seem to be posting. A Suspend process is set up to "route" reseller traffic to CABS. This process holds the traffic until the Service Order posts. LCI's traffic is currently in suspend and therefore, not being routed. Per Gail, she hopes this issue is resolved by 2/21 but she did not seem confident as to what was causing the problem.

Resolution to these issues will be essential if LCI International is to maintain parity with Pacific Bell in Billing and Provisioning capabilities. Please let me know Pacific Bell's response to these issues as soon as possible.

Sincerely,

Kirsten Johnson
Local Project Manager

cc Anne Bingaman
Mike Wajsgas
Greg Casey
Wayne Charity

"A-2"



Anne K. Bingham
Senior Vice President
President, Local
Telecommunications Division

March 17, 1997

HAND DELIVERED

The Honorable John McCain
Chairman
Committee on Commerce,
Science & Transportation
United States Senate
241 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator McCain,

This letter responds to the letter sent to you late today by Mr. Thomas Moulton, Jr. of Pacific Bell. See Ex. E hereto. Mr. Moulton, who it appears from his letterhead is resident here for the Washington Operations of Pacific Bell, appears to be either misinformed, or uninformed, about what is going on in California. Both the specific points and the entire thrust of his letter accordingly are simply wrong. Please allow me briefly to explain.

First, PacBell claims that I exaggerated in stating that "competition is on the fax room floor at PacBell." To the contrary, if anything, I overstated the facts in PacBell's favor. In fact, LCI's faxes often never even made it to the fax room floor, for two main reasons.

As our January 30, 1997 letter told PacBell, "often it takes six-plus attempts to fax to PacBell due to fax busy signals." See Exhibit A-5 hereto. Many of LCI's orders initially were delayed due to gross understaffing of the PacBell resale service center. Now, the delay is caused by poorly-trained staff.

Next, PacBell, unlike LCI's experience with other RBOCs, until today has flatly refused to train LCI's personnel in its 15 complicated order forms. This has caused an inordinate number of rejected orders. To even identify the problem in a rejected order can take weeks and lengthy escalations to a high level. This procedure, or lack thereof, stalls competitors and the development of competition and is simply unacceptable. See Ex. A hereto. Just today, PacBell finally committed to an initial training date of April 9, 1997 for LCI.

The Honorable John McCain

March 17, 1997

Page 2

Second, PacBell wrongly claims that LCI "is pleased" with the personal service PacBell is giving us. To the contrary, as PacBell well knows, we have registered our complaints about PacBell's many problems loud and long, both in writing and in an hour-long telephone call on February 26, 1997 between me and Liz Fetter and our respective staffs. See Ex. A hereto. In that high level escalation, which was LCI's attempt to obtain an answer to our eight previously unanswered letters, I personally complained to Ms. Fetter, who is the President of Industry Markets (the wholesale services arm of PacBell) about:

- PacBell's refusal to provide an EDI, ("electronic data interface"), a widely-accepted industry standard. At PacBell, EDI will not be available until, at the earliest, the third quarter of 1997. Instead, PacBell is offering a unique but temporary mechanized interface which will be obsolete within months. Even this system, according to AT&T at a press conference on February 12, 1997, can process no more than 450 orders a day. Understandably, LCI has chosen not to invest in the time and training for this temporary, but entirely inadequate system; and
- PacBell's refusal (or inability) to provide the daily usage information on a basis which would allow LCI simply to bill its customers. Despite Ms. Fetter's personal commitment to me to look into this issue, immediately, we have received no resolution in three weeks, and still are unable to bill our customers in California. This is an untenable situation obviously, and is due to the faults in PacBell's computer systems. See Ex. A, Bingaman letter to Fetter, 2/26/97.

It should be noted that all of the issues which have caused LCI such problems to date relate only to resale. On the critically important issue of unbundled network elements, we understand that PacBell does not yet have in place even manual procedures for ordering the most basic "Network Platform" combinations, let alone any computerized or mechanical procedures, or procedures for provisioning and billing. Mr. Moulton simply ignores these critical topics.

LCI is not alone in its problems in California. I have attached for your information, as Exs. B, C and D, formal complaints filed against PacBell before the California PUC filed by AT&T, MCI and Sprint in December 1996 and February 1997.

The Honorable John McCain

March 17, 1997

Page 3

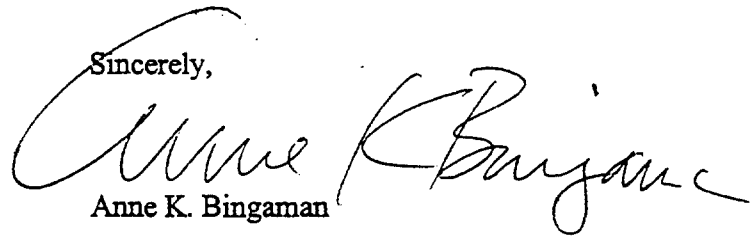
These official complaints highlight how other competitors have been stymied in their efforts to achieve parity from PacBell for their orders, and they totally belie the tone of injured innocence that pervades Mr. Moulton's letter.

Indeed, when the erroneous attacks on me and LCI are stripped from Mr. Moulton's letter, it is clear that PacBell remains a long way from achieving even minimal compliance with the fundamental requirements of the 1996 Telecommunications Act. As his three full paragraphs on page two make abundantly clear, PacBell is not even close.

As I told the members of the Senate Commerce Committee on Wednesday, March 12, LCI currently has hundreds of thousands of residential and business long distance customers in California. We would immediately offer bundled local service to all of those customers, if we had any confidence that PacBell could process those orders. But LCI cannot and will not put its California customers and customer base at risk until PacBell demonstrates that it can process orders for LCI and other competitors in the same numbers and at the same speed and service quality which it provides for itself.

LCI is working hard to compete in California, and we stand ready to help PacBell help us compete, so that our California customers will have a choice of local telephone service

Sincerely,



Anne K. Bingaman

attachments

AKB:slg

cc: Members of the Senate Committee on Commerce,
Science and Transportation
Reed Hundt, Chairman, FCC
FCC Commissioners Ness, Quello and Chong
Regina Keeney, Chief, Common Carrier Bureau, FCC
Richard Welch, Chief, Policy & Planning Division, FCC
Gail McGovern, A&T Corporation
Roy Neel, USTA
Thomas O. Moulton, Jr., Pacific Telesis Group, Washington



Anne K. Bingaman
Senior Vice President
President, Local
Telecommunications Division

March 24, 1997

HAND DELIVERED

Mr. Jack Goldberg
Vice President Wholesale Services
NYNEX
1095 Avenue of the Americas, #4043
New York, NY 10035

Dear Jack:

Over the past several months, Mike Page of LCI (703-610-3826) has raised several customer impacting issues to NYNEX Wholesale Services. Two of these issues -- delays in provisioning and usage transmission -- are particularly troublesome in that they are clearly preventing LCI from maintaining service parity with NYNEX. Although these issues are being escalated through your operations organization, I want you to be aware of the nature and the magnitude of some of the issues that LCI is currently facing. These issues are summarized below:

Delayed Billing: LCI is not receiving call detail within an acceptable timeframe. According to both NYNEX and LCI measurements, LCI consistently receives call records that are well over 48 hours old. Further, NYNEX does not transmit usage information on weekends and holidays. NYNEX and LCI are working towards a comparable means of measuring the timeliness of delivery of Daily Usage Files. By any measure, however, NYNEX is failing to provide LCI with capability to maintain parity in billing services with NYNEX.

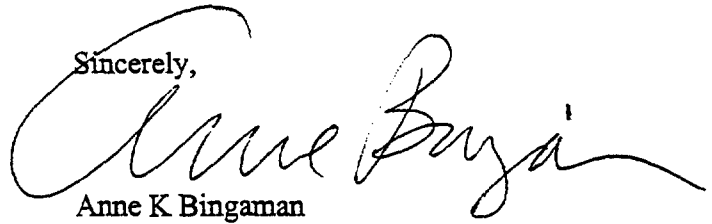
Provisioning Timeliness: NYNEX is failing to meet promised due dates on an unacceptably high percentage of orders. Over a recent 30 day period, NYNEX missed due dates on 36% of orders issued by LCI's customer service center. LCI currently has basic orders that have been issued up to ten days ago without confirmation. On two occasions, LCI's prospective customers switched back to NYNEX out of frustration over the inability to get desired services. These issues are being escalated to NYNEX operational personnel. NYNEX is in the process of examining the specific orders and responding to LCI. NYNEX's delays in provisioning LCI orders is preventing LCI from maintaining parity with NYNEX with respect to provisioning service to its customers.

Mr. Jack Goldberg
March 24, 1997
Page 2

Resolution of these matters is essential if LCI is to maintain parity with NYNEX in provisioning and billing capabilities.

We are unable to compete head-to-head with NYNEX until we resolve these issues.

Sincerely,

A handwritten signature in cursive script, appearing to read "Anne Bingaman".

Anne K. Bingaman

AKB:slg



via facsimile

April 3, 1997

Mr. John Doolittle
Vice President Industry Markets
Pacific Bell
370 Third Street
San Francisco, CA 94107

Dear Mr. Doolittle,

In response to your letter of March 24, 1997, received here on Monday, March 31, 1997, I would like to express my disappointment in Pacific Bell's overall lack of cooperation in resolving the issues brought forth to Liz Fetter in my letter dated February 26, 1997. It is clear that Pacific Bell does not plan to facilitate LCI, or other CLEC's, in the support of local resale in any meaningful manner. Of the initial 8 issues listed in my February 26th letter and the 10 accompanying letters, only 2 have received any attention whatsoever.

I would also like to address several of the erroneous statements in your March 24th letter.

Ordering

- Training - In January, 1997 LCI was given LI Office diskettes which were loaded onto relevant user's computers. Included in those users was Julie Groezinger, LCI's main LISC contact. Julie is using the LI Office software supplied to LCI. Even though the CLC Handbook is often not sufficient to answer Julie's questions, she is usually referred back to the Handbook by LISC representatives who cannot answer her questions and subsequently accused of not using the Handbook. This brings us back to the original issue that Order Training is essential for both LCI and LISC employees. LI Office is not a sufficient substitute for training and knowledgeable LISC employees.
- EDI - I also disagree with your reference of the electronic interface options available to LCI. Your letter mentions that CEASAR/CLEO was an option presented to LCI in January. In early February, however, Mary Vagatie of Pacific Bell, presented a CLEO and PBSM training session to LCI and specifically informed the class that order reservation and provisioning was not yet available. We are to be notified upon availability. This does not constitute the availability of electronic transfer.

Additionally, I cannot see any justification whatsoever for your statement that negotiation of an Interconnection agreement would allow for more "customized" electronic interface arrangements. This is simply insupportable. If Pacific Bell has EDI available for other CLEC's, LCI wants immediate access to it.



Provisioning

Your letter assures Confirmation and Completion Notification turn around times that are not presently being met, as we have repeatedly noted in our many complaint letters since we began reselling Pacific Bell service in January.

Billing

- USOC - Pacific Bell's refusal to supply lists of USOC codes to competitors is a serious and continuing impediment to the development of competition. It is not possible that these codes are not available, as they are used for provisioning and pricing by Pacific Bell. Indeed, Pacific Bell's billing system is driven by USOC codes, and bills are generated by explicit reference to USOC codes. I will again stress that the other RBOC's have made these codes readily available so that CLEC orders may be consistent and to eliminate invoice discrepancies. The lack of these codes is not only affecting the CLEC's, but Pacific Bell as well, since errors inevitably occur if USOC codes are not available.

LCI will continue to interface with Joe SantaMaria for daily issues. I suggest another meeting to discuss these remaining issues at a higher level.

Sincerely,

A handwritten signature in cursive script, reading "Anne K. Bingaman".

Anne K. Bingaman
President
Local Telecommunications Division

cc Elizabeth Fetter

LCI International®

Worldwide Telecommunications

April 9, 1997

Mr. J.A. Santa Maria
Resale Market Consultant
Pacific Bell
200 West Harbor Place, Suite 735
Anaheim, CA 92805

Dear Joe:

This is to document the unsatisfactory response, on Friday, April 4, 1997, by PacBell in addressing a disconnect it caused while attempting to complete a correct LCI "as specified" service order. The order consisted of maintaining the single existing customer line, with the addition of two new lines. The customer was disconnected by PacBell at approximately 8:00 AM (PST) and was completely without service until 5:10 PM (PST). The LISC informed us that the problem was caused by PacBell's incorrect keying of the order.

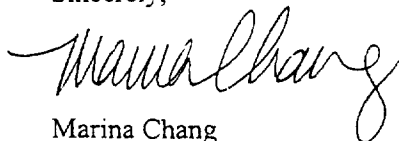
During the first seven hours of LCI urging PacBell to reinstate the customer's service, the LISC representative did little more than inform us, that for various procedural reasons, PacBell could not respond immediately to resolve the problem. Reasons PacBell gave for not immediately addressing the disconnect, included the inability of the LISC to locate the order, and repeated instruction by various individuals at PacBell to wait for the order, entered initially, "to work its way through the system" on its own.

The conversion of a single existing line, with the addition of two lines, is the most basic of requests, which should in no way result in the complete disconnect of the customer's service. We are extremely concerned about the fate of even slightly more complex orders, in light of the difficulty we experienced with this simple conversion.

We were also told that if the order could not be correctly completed that day, the customer would be without service through the weekend. We were troubled by the suggestion and seeming lack of concern by the LISC representative, over this possibility. In the interest of ensuring some service to the customer over the weekend, we requested that PacBell restore its original service back to the customer, adding that the LCI order could be addressed on Monday. We were informed that this request was "not that easy," and also might not be accomplished before the weekend. It is difficult to believe PacBell would exhibit the same lack of concern about the possibility of one of its own customers spending a weekend without service.

The attached is a chronology of events in this customer matter.

Sincerely,



Marina Chang
Project Analyst

cc: Mike Wajsgas
Greg Casey
Wayne Charity

Attachment

Chronology of Events

Autobahn Imports Disconnect

April 4, 1997

At approximately 8:00 AM (PST), the customer (PON 30364978) informed LCI of his loss of all telephone service (a single existing line). Upon contacting PacBell maintenance/repair, LCI was told that the problem would have to work its way through the system; and the problem would be resolved and service connected by 1:00 PM (PST).

At 1:00 PM, the customer informed LCI he was still without service. The maintenance/repair staff advised us that the order was entered into the system incorrectly, causing it to "fall out." Since maintenance/repair does not have access to the order entry system, we next contacted the LISC. We paged and called the LISC representative in charge several times before receiving a return call. The representative insisted on seeing the order before addressing the matter, to ensure that it had been completed correctly, and see if "any changes" in service were made. However, the matter was further delayed by the fact that the LISC was unable to locate the customer order and both LISC managers were on vacation. We faxed copies of the order to the LISC multiple times over the course of 45 minutes before the representative confirmed its receipt at 2:05 PM (PST). At this time (after 5:00 PM, EST), in the interest of restoring service to the customer as quickly as possible, we stated our desire to reinstate PacBell service instead of the LCI order, if it would reconnect the customer more quickly. The LISC representative said it wasn't "that easy" and that she would continue to work on correcting the LCI order, but in any case the customer could remain without service through the weekend.

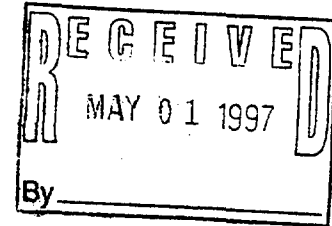
The LISC representative said the order had to work its way through the system, and before she could take action she needed to investigate the matter by speaking to the order entry person. We requested an update within an hour. At this point, in an effort to expedite the process, we contacted Joe Santa Maria, who referred us back to the LISC representative. After the hour elapsed with no word or response to our additional calls, we called the LISC Director, Don Griffin, at approximately 3:30 PM (PST). Despite the fact that he was in, we were unable to speak to him and he did not return our call. At 4:30 PM (PST), the LISC representative finally called to say that both field support and order entry personnel were in the process of entering the order correctly; and acknowledged that the LCI order form had been correct. At 5:00 PM (PST) the LISC representative called to let us know the order had been keyed in correctly and was in the process of moving through the system, which could take several hours. She added that the LISC was closing and she was leaving for the day. She was unable to refer us to another contact person, if their most recent action was unsuccessful. At 5:10 PM (PST), the maintenance/repair office monitoring the switch informed us that service to the customer had been activated.

200 West Harbor Place, Room 736
Anaheim, California 92805

cc AKB
Epe/RU
Chang
fine
Chen

PACIFIC BELL
A Pacific Telesis Company

Pacific Bell
Industry Markets
370 Third Street, Room 714D
San Francisco, California 94107



April 24, 1997

Anne K. Bingaman
President, Local Telecommunications Division
LCI International
8180 Greensboro Drive
McLean, Virginia 22102

Dear Ms Bingaman:

Thank you for your letter of April 3, 1997. John Doolittle requested that I provide answers on your major areas of concerns.

ORDERING:

Training: A training session was held at the CLC Workshop on April 8, 1997 specifically for filling out forms for simple migrations. Also, LCI was provided an additional day of training on April 9, 1997.

EDI: As you correctly stated, EDI is not available from Pacific Bell and no other CLC has EDI from Pacific Bell, even with an Interconnection Agreement. We anticipate that EDI will be available 4th quarter 1997 to comply with our various Interconnection Agreements. Because of the numerous requests voiced at the CLC Workshop earlier this month, Pacific Bell is looking at providing an internet based interface for ordering resale services and hopes to have this available soon.

Provisioning: The LISC still has a backlog, but is rapidly increasing capacity by adding personnel as fast as we can hire them and by adding automation. We anticipate meeting the following milestones:

Time Period	Estimated Completions Per Day
End of 2Q97	2,000 - 2,500
End of 3Q97	4,000 - 4,500
End of 4Q97	5,000 - 6,000

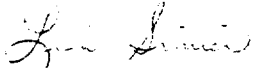
200 West Harbor Place, Room 736
Anaheim, California 92805

PACIFIC BELL
A Pacific Telesis Company

BILLING:

USOC: Due to discussions and concerns addressed at the CLC Workshop, as well as those stated by LCI, Pacific Bell is looking at how it can provide a current USOC list for use by the CLCs. This should be resolved by the 4th quarter of 1997.

Sincerely,



for **Joe Santa Maria**
Resale Market Consultant

Is

Cc: John Doolittle, Liz Fetter, Tom Broadhead, Debra Koosed

LCI International[®]

Worldwide Telecommunications

April 29, 1997

Mr. J.A. Santa Maria
Resale Market Consultant
Pacific Bell
200 West Harbor Place, Suite 735
Anaheim, CA 92805

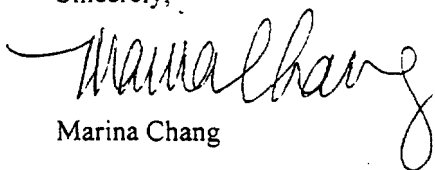
Dear Joe:

This is to follow up on our conversation yesterday regarding the delays in receiving daily usage information from PacBell.

While LCI has received daily usage information from PacBell everyday, the majority of the information is not for the previous one or two days. Daily usage figures received during the month of April, 1997, indicate that after two days, 91.5 percent of the daily usage information for any given day is still outstanding. After seven days, 10 percent of the usage data remains missing, and information has been received up to 34 and 44 days late.

PacBell's continued failure to provide daily usage in a timely manner, prevents LCI from achieving parity with PacBell in billing capabilities. Additionally, LCI is experiencing the obvious financial consequences that result from late billing of usage.

Sincerely,



Marina Chang

cc: Greg Casey
Wayne Charity
Mike Wajsgas



Anne K. Bingham
Senior Vice President
President, Local
Telecommunications Division

May 14, 1996

VIA FAX
VIA COURIER (w/attachments)

Mr. James R. Young
General Counsel
Bell Atlantic
1310 North Court House Road
Arlington, Virginia 22201

Dear Jim:

As you are aware, LCI International Telecom Corp. ("LCI") and Bell Atlantic Network Services, Inc. ("Bell Atlantic") have been negotiating a local resale agreement for Maryland during the last several months, and, as I have told you, LCI is eager to conclude this negotiation so that we may begin selling in Bell Atlantic territory. I wanted you to be aware that LCI and Bell Atlantic have reached an impasse on a key issue relating to the confidential treatment of Operational Support Systems ("OSS") performance reporting. I have closely followed the status of the negotiations as they have proceeded, and I believe that Bell Atlantic's position on this issue is untenable, indicates Bell Atlantic's unwillingness to negotiate in good faith in accordance with Section 251(c)(1) of the Telecommunications Act of 1996 (the "Act"), and is inconsistent with the parity requirements as well as the spirit of the Act. I seek your active intervention and judgment in this process so that we may bring it to a prompt and mutually agreeable conclusion resulting in an agreement which is fully in accord with the Act and with Para. 151 of the FCC's August 1, 1996 Local Competition Order.

During negotiations, Bell Atlantic agreed to furnish to LCI performance measurement reporting relating to the performance of Bell Atlantic's OSS under the agreement. Such reporting will provide, among other things, the state-wide performance of Bell Atlantic for services provided resellers, including average percent of orders installed on time and mean time to clear trouble reports. I have enclosed hereto as Attachment 1 a copy of the performance reports Bell Atlantic agreed to provide LCI. The parties are both cognizant that such performance reporting is critical in determining whether Bell Atlantic is meeting its obligations to provide LCI non-discriminatory access

to OSS as required under the Act. Indeed, the course of negotiations on this issue, along with the numerous OSS written disclaimers Bell Atlantic demanded be included in the agreement, has led LCI to question whether Bell Atlantic will be able to fulfill its duties under the Act with respect to OSS.

As a condition for LCI to obtain this essential performance reporting, Bell Atlantic has unreasonably demanded that LCI agree that the reporting be treated as Bell Atlantic confidential information. As recently as Monday, May 12, Bell Atlantic asserted in Sections 14 and 34.4 of its May 7, 1997 draft that LCI could only disclose the OSS performance measurement reports to a regulatory body after four (4) months from the date LCI begins to purchase local resale service from Bell Atlantic. Such a provision in an agreement is a *per se* violation of the FCC First Order and Report at 74 (¶ 151), CC Docket No. 96-98, by precluding LCI from providing information requested by the FCC, a state commission or in support of a request for arbitration for a period of four (4) months from when LCI begin selling local services. I have enclosed copies of the relevant sections of the May 7th draft resale agreement presented by Bell Atlantic for your review.

On Tuesday, May 13, Bell Atlantic provided LCI with another draft local resale agreement, using a different tactic. In Sections 14 and 34.4 of Bell Atlantic's May 12th draft, the performance measurement reporting remains Bell Atlantic confidential information and LCI may only disclose the reporting to the Maryland Public Service Commission, the Federal Communications Commission or courts of competent jurisdiction under a protective order. A copy of the pertinent sections from the most recent draft local resale agreement are enclosed as Attachment 3. Bell Atlantic has provided LCI with no legitimate business reasons for placing any of these restrictions on the disclosure and use of the performance reporting. Further, as the FCC's August 1, 1996 Order in Para. 151 makes clear, "demands by incumbent . . . are of concern, and any complaint alleging such tactics should be evaluated carefully."

By insisting the reports be treated as confidential information, Bell Atlantic is effectively "gagging" LCI indefinitely from disclosing the results of the performance measurement reports in any public forum. In this regard, I would call to your attention statements made about LCI by Ed Young, Bell Atlantic's Regulatory Vice-President at a Schwab-sponsored forum on the Telecommunications Act in March. I had no problem with the fact of Ed Young's making the statements about LCI's readiness to cooperate in EDI (although I did correct the substance of his remarks). There should be no contractual restrictions on such speech, by you, Ed Young, or anyone else. The reputation of the speaker, and the need to carefully state the correct facts in order to give correct information are and will remain paramount. These are protection enough for LCI, and they should be protection enough for Bell Atlantic, as well, particularly given the public importance of the issues here.

James R. Young
May 14, 1997
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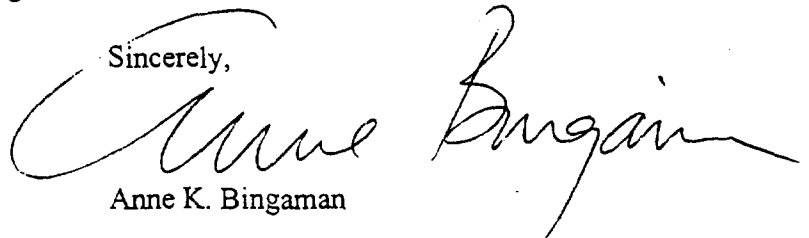
Any unreasonable condition prohibiting discussion of reporting is wholly unacceptable to LCI. We believe that Bell Atlantic is abusing its bargaining power in the negotiations for our entry into the important Bell Atlantic region as a means to undermine LCI's efforts to gain functioning OSS, so that we may compete effectively in the local market.

LCI hereby requests that Bell Atlantic acknowledge in the agreement that any performance measurement reporting and related information concerning Bell Atlantic's OSS performance be deemed public information which LCI may disclose and use in any way necessary to enforce its rights under the Act. In treating such information as public, the parties will be furthering the intent of the Act by ensuring the free flow of information relating to Bell Atlantic's compliance with the requirements of non-discriminatory access to OSS. Similarly, we believe that Bell Atlantic should be completely free to state any problems or issues it has with LCI, subject only the accuracy of the information conveyed, CPNI or other legal non-contractual restrictions.

As I have told you in several telephone calls and letters, LCI sincerely desires immediately to conclude this resale agreement in the five principal Bell Atlantic states in which we do large amounts of business, so that we may begin offering local service to our customers there. I would appreciate it very much if you would personally intervene to put this issue behind us, because it is my best judgment that your negotiators' demands are not in accordance with the Telecommunications Act or the FCC's August 1 Local Competition Order.

If you have any questions relating to this or other issues in the local resale agreement, please contact me at (703) 610-4877. We are ready and willing to conclude this agreement and move on to selling.

Sincerely,



Anne K. Bingaman

enclosures
AKB:slg

WORKING DRAFT
FOR DISCUSSION PURPOSES ONLY

PERFORMANCE REPORTS

1. Performance Reporting

1.1. BA shall supply to Reseller performance reports each quarter on BA's performance in [STATE] in accordance with this Attachment 12. The reports shall be substantially in the format of the documents attached hereto as Schedules 12B through 12F. The definitions of the rows and columns in the reports are set forth in the Schedule 12A. The coverage of each report is set forth in its title, with the additional explanations set forth below.

1.1.1. Schedule 12B (Reseller-Specific) will report the statewide performance of BA for the services provided to Reseller for the preceding calendar month for the measures set forth in the report and defined in Schedule 12A. The dates in the cells in Schedule 12B are the dates that BA will be able to provide the information in that cell. Where the date is accompanied by the letters "Est." ("estimated"), the date in that cell is BA's best estimate and target, but not yet a commitment. BA will make its best efforts to meet the "Est." dates and will inform Reseller of any potential change in those dates if and when that potential appears. Where the cell contains an "N/A" ("not applicable"), the measure is not applicable for that service category.

1.1.2. Schedule 12C (BA Including BA affiliates) will report statewide, system-wide performance of BA, including for the services provided to affiliate companies of BA, for the preceding calendar month for the measures set forth in the report and defined in Schedule 12A. The dates and notations in Schedule 12C have the same meanings as those described above for Schedule 12B. BA does not have an immediately comparable service for Unbundling and, as a result, those columns have been marked as "N/A". BA's "Retail - POTS" column reflects results from BA's retail operations for POTS services and is comparable to the "Resale - POTS" service on the other schedules (Schedule 12B, Schedule 12D, Schedule 12E and, when available, Schedule 12F).

1.1.3. Schedule 12D (Top 3 Carriers) will report the statewide performance of BA for the services provided to the largest three telecommunications carriers interconnecting with or purchasing services from BA pursuant to Sections 251 and 252 of the Act, combined, for the preceding calendar month for the measures set forth in the report and defined in Schedule 12A. The dates and notations in Schedule 12D have the same meanings as those described above for Schedule 12B. In order to preserve the confidentiality of other carriers' information, results for a service (report column) will only be produced on this report if all three carriers purchased the reported service in the calendar month.

1.1.4. Schedule 12E (All CLECs) will report the statewide performance of BA for the services provided to telecommunications carriers interconnecting with or purchasing services from BA pursuant to Sections 251 and 252 of the Act and BA has a reporting obligation under the signed interconnection agreement, combined, for the preceding calendar month for the measures set forth in the report and defined in Schedule 12A. The dates and notations in Schedule 12E have the same meanings as those described above for Schedule 12B. In order to preserve the confidentiality of other carriers' information, results for a service (report column) will only be produced on this report if three carriers purchased the reported service in the calendar month.

1.1.5. Schedule 12F (10 Largest Retail Customers) will, at such time as BA is able to collect and report such information, and upon agreement regarding compensation for the collection and reporting of such information, if any, report statewide performance of BA for the services provided to its ten largest retail customers for the preceding calendar month for the measures set forth in the report and defined in Schedule 12A. The cells in Schedule 12F are all marked "TBD" ("to be determined") without an accompanying estimated date because BA has not yet determined that the collection and reporting of this information is feasible, and if it is, when such reporting might be available. BA agrees, however, that it will continue its best efforts assessment of the feasibility of collecting and reporting this information and will promptly report to Reseller the results of that assessment and the availability of such information at such time as BA develops the capability to collect and report it for BA's own internal use.

1.2. Reseller agrees that the performance information included in these reports is confidential and proprietary to BA under Section 11 of this Agreement, and shall be used by Reseller solely for internal performance assessment purposes, for purposes of joint Reseller and BA assessments of service performance, and for reporting to the Commission, the FCC, or courts of competent jurisdiction, under cover of an agreed-upon protective order. Reseller shall not otherwise disclose this information to third parties.

1.3. The question of what remedies or other action might be appropriate in any situation where Reseller believes, based on a statistically significant number of reports described above, that BA is not complying with any of the performance standards in the Agreement shall be resolved, in the first instance, through negotiations between the Parties and, failing successful negotiations, through the complaint processes of the Commission, the FCC, or a court of competent jurisdiction. BA agrees to join Reseller in encouraging the Commission to develop expedited procedures for the resolution of any performance-related complaints.

SERVICE CATEGORY (COLUMN) DEFINITIONS

Name	Definition
Performance Measurement	Provides a general description of the fourteen (14) performance measurements. See Measurement Definitions - Rows below.
Special Services (Access) DS0 DS1 DS3	The column group title Special Services (Access) refers to Private Line Special Access results (does not include resold or unbundled services). DS1 and DS3 are discrete services. DS0 includes all other special services.
CLEC Trunking	The column represents service for CLEC trunks that carry traffic office to office.
Unbundling POTS Special Services	The column group title Unbundling refers to both POTS and Special unbundling services purchased by the CLEC. The POTS column includes the unbundled loops and ports. The Special Services column includes all special services combined.
Resale - POTS	The Resale-POTS column refers to POTS services that have been resold to the CLEC. On the BA Including Affiliates Report, the Retail-POTS column is comparable to the Resale-POTS column of the other four (4) reports.

MEASUREMENT DEFINITIONS - ROW

Name	Definition
1. Number of Installations	<p>This is the total number of service orders issued/requested by Reseller and completed by BA. Regardless of the number of elements or circuits ordered, each service order counts as one.</p> <p>Number of Installations results can not be compared from report (e.g., Reseller-Specific) to report (e.g. BA Including BA Affiliates). However, volume is a good indicator as to whether meaningful comparisons can be made about provisioning intervals and percent orders completed on time.</p>
2. Average Interval in Days	<p>This is the sum of the receipt date to the service order due date as established on the firm order confirmation (FOC) for each service order where BA established the interval using the normal interval with this sum being divided by the total number of service orders used in the calculation</p> <p>Reseller will send BA a service order request (PON) and BA will return the FOC which stipulates the scheduled completion date. The time from the PON date to the date due established on the FOC represents the average interval per order.</p> <p>BA flags each order with an appointment flag of either "x" or "w". If the scheduled interval reflected on the order is established by BA using the normal interval process, the order will be flagged with the "w". However, if Reseller should request a date that is further out than the normal interval, the order will be flagged with the "x" to indicate that long interval was offered at the customer's request.</p> <p>For this category measurement, only those orders with the "w" indicator will be counted.</p> <p>If for some reason the order needs to be redated (longer or shorter), the final FOC date is the date that will be used for measurement purposes.</p>
3. Percent Install on Time	This measurement is the total number of installations (both "x" and "w" service orders) that were completed on time (based on the service order established due date) divided by the total number of service orders. This is the percentage of orders completed on time.

Name	Definition
4. Total Number of Missed Appointments	This measurement is the total number of service orders <i>not</i> completed on time. An appointment is defined as the date due agreed to by the customer and BA and shown on the order. If the customer issues a supplemental order changing the date due, the new date due will be measured as the appointment. Orders that are held or missed due to customer reasons <i>will not</i> be counted as a BA miss. This definition includes multi-item orders. If one item of a multi-item order is missed due to customer reasons, the order <i>will not</i> be counted as a BA miss.
5. Total Percent of Missed Appointments	Total Number of Missed Appointments divided by the total number of service orders See appointment definition on item # 4.
6. Number of Reports	This is the total number of customer trouble reports (i.e. CR troubles) received from Reseller by service category. Each trouble counts as one and in cases where the trouble is redated or subsequent reports are received for escalations or to question status, BA will not count the subsequent reports. From receipt to close, each trouble counts as 1, regardless of the trouble resolution (CPE, NTF or BA Network). This measurement <i>does not include</i> information tickets (i.e. INF troubles).
7. Mean Time to Clear Reports	<p>This is the total measurable hours and minutes from all customer trouble reports, i.e. #6 above, (from the time BA receives a trouble from Reseller until the service is restored and closed with Reseller) divided by the total number of troubles for the report period. This measurement <i>does not include</i> information tickets (i.e. INF troubles).</p> <p>For Special Services columns and CLEC Trunking, the measurements will be "Stop Clock" measurements where "no access" (customer access delayed) time is removed from the measurement.</p> <p>For POTS columns, this will be a running 24 hour clock from trouble receipt to trouble clearance time. The BA clear time is the time service is restored. The BA work process is for the customer (Reseller) to be notified as soon as service is cleared. BA does not use the "close time" because after clearing the trouble, the technician may stay and complete another hour or so of clean up before actually closing the trouble.</p>
8. Number of Failures	<p>The number of failures is the total number of trouble reports where the trouble was closed out with a code indicating that the fault was a BA service problem.</p> <p>Removed from the total trouble reports will be all the troubles that reflect the cause of the trouble to be other than a BA Network fault. Examples would be troubles caused by Customer Provided Equipment (CPE), errors by the customers/end user in the use of the service or where no trouble was detected (F/OK and T/OK).</p>
9. Failure Frequency Percent	The Number of Failures (#8 above) divided by the total number of circuits that Reseller has purchased from BA. The result expressed as a percentage.
10. Percent Without Report Outstanding	<p>For this measurement, BA is to do the following:</p> <ol style="list-style-type: none"> 1. Multiply the total number of circuits by the total hours in the report period to establish the total hours of service availability possible for the report period. 2. Add all of the measurable time (hours and minutes) for only the network reports (i.e. Failures) to establish the total non service availability hours for the report period. 3. Subtract the "non service availability" hours from the "total service availability" hours and divide the result by the "total service availability" hours and display this as a percentage.